



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Detroit, MI

Jarod J. Koopman, Special Agent in Charge

Date: April 3, 2015

Contact: JoAnne H. McLean
IRS – Criminal Investigation
985 Michigan Ave, Room 251
Detroit, MI 48226
313-234-2424
joanne.mclean@ci.irs.gov
CI Release #: DETFO-2015-04

FENTON MAN PLEADS GUILTY TO FILING FALSE RETURNS

Detroit, MI - A Fenton, Michigan man pleaded guilty to one count of filing false tax returns, United States Attorney Barbara L. McQuade announced today.

United States Attorney McQuade was joined in the announcement by Jarod J. Koopman, Special Agent in Charge of the Internal Revenue Service Criminal Investigation.

Entering the guilty plea before United States District Judge Judith E. Levy was Kleppe Houston, 50. According to court records, Houston owned Co-HR, LLC, a human resource management firm that was based in Pontiac, Michigan. Co-HR, LLC provided payroll services to its clients. Houston prepared and filed five Employers' Quarterly Federal Tax Returns for these employers, falsely reporting that more than \$393,381 in payroll taxes had been remitted with the returns. Houston knew, but his clients did not, that the amount remitted with each return was substantially less than reported.

Under his plea agreement, Kleppe is being held responsible for failing to remit a total of \$629,746 in payroll withholding taxes to the Internal Revenue Service.

"Our tax system depends on the honest cooperation and integrity of every citizen and business owner, said Koopman. "Employers that engage payroll service companies, and their employees whose wages have amounts withheld for payroll tax purposes, have every right to expect that those funds will be used for the payment of their taxes. The government has the same expectation."

Filing false tax returns carries a maximum penalty of 3 years' imprisonment, a fine of \$250,000 and an order of restitution. Sentencing is scheduled for July 13, 2015, before Judge Levy.

The case was investigated by special agents of the IRS Criminal Investigation.

###